Ambassador Berry's Remarks for
The Australian Emission Reduction Summit

"Transitioning to a Low Carbon Economy: The U.S. Experience"

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Thanks to Peter Castellas and his staff for organizing this conference.

Minister Hunt, Professor Thwaites, Mr. Bovnagri, I'm honored to be in this session with you all.

I'm very pleased to be here today.

When I testified before the U.S. Senate last year, I said that among my top priorities would be promoting economic growth and protecting the environment. I'm happy to talk about how we can do both at the same time.

It is imperative that we do something about climate change and emissions.

If we are unable – or unwilling – to act, then we will face serious impacts on public health and safety, national security, and our economies.

Biologist E.O. Wilson said that "the two major challenges for the 21st century [will be] to improve the economic situation of the majority and save as much of the planet as we can."

The silver lining here – if one can be said to exist – is that responding to climate change presents major economic opportunities.

In 2012, U.S. carbon emissions fell to their lowest levels in two decades – even as the economy continued to grow. In addressing climate change, we can also spur innovation, inspire creative solutions to our energy needs, and kick start economic growth. We can transform our economies while strengthening national security.

One of the big complaints we hear about environmental policies in general is that they will be too expensive. We hear that it will be too hard – especially on businesses. We hear that it can't be done.

But, as Chevron and Apache are demonstrating in Western Australia, good conservation, good business, and energy production can go hand in hand.

It is possible on the macro level as well.

Chlorofluorocarbons used to be in almost everything – air conditioning, refrigerators, paint, bug spray, beauty products. Annual sales reached about a billion dollars. They were non-toxic. They were cheap. They were safe for the environment.

Or so we thought.

In 1974, scientists discovered that CFCs had very detrimental effects on the ozone layer. In 1985, we discovered just how bad those effects were.

Ozone depletion was linked to serious consequences – including increases in skin cancer, damage to crops, and detrimental effects on wildlife and livestock.

The world needed to act. And it did. The Montreal Protocol has been called one of the most successful international agreements of all time. In some circles, it is also considered one of President Reagan's crowning achievements.

The results have been tremendous. 197 countries have signed on. The ozone layer is on the road to recovery. New data show that we prevented even worse climate effects than the science predicted in the 1980s.

Today, we need the world to act again. Together, we can make the changes – domestically and internationally – that will protect our planet for many years to come.

There is a success story to tell about emissions reduction efforts in the United States. I'd like to highlight some of our policies for you today. While there are many roads to Rome, we're pretty proud of what we have done. I'm looking forward to hearing more about Australia's Emissions Reduction Fund White Paper, because I think we can all learn a lot from each other.

U.S. Domestic Action

In March, I was in Washington for a meeting of United States Ambassadors. One of the major themes was climate change.

Reducing and counteracting the effects of climate change is very important to both President Obama and Secretary Kerry.

However, we know that we need to lead by example. The United States is one of the world's leading polluters. So it's imperative for us to start by cleaning up our act at home.

And, for the past few years, we have been doing just that.

Under President Obama's leadership, the United States is decreasing its emissions, investing in new technologies, and seeking out new sources of energy.

In 2009, President Obama pledged to reduce U.S. emissions by 17% over 2005 levels by 2020.

We are already making real progress.

Last month's national emissions inventory showed that we have successfully cut greenhouse gas emissions by 10 percent. We are more than halfway to our goal.

But it's not always easy to stay on track. So President Obama's Climate Action Plan – launched last June – serves as our roadmap. It lays out precisely what we need to do to meet – or exceed – our commitment to cleaning up our soil, our water, and our atmosphere and to prepare for the future.

We are cutting domestic carbon pollution and leading international efforts to address global climate change. We will cut methane emissions and curb the emissions of hydro fluorocarbons (HFCs) that could triple by 2030 if we don't act.

But even as we act to curb the pollution that is driving climate change, we are also preparing to protect the United States – and our partners – from the effects of change that are already underway.

Today, I want to talk about the two biggest sources of greenhouse gas emissions in the United States: transportation and power generation for heat and electricity. Together, they contribute to almost two thirds of our total emissions profile.

Transportation

Americans as a group love to drive. We drive everywhere. Not only that, but we have tended to like big cars. Specifically, we like cars that don't get great gas mileage.

Cars and trucks alone account for one third of U.S. carbon pollution.

It is unlikely and – given the design of most of our cities – probably impractical to get Americans out of cars in the short term. So we need to make the cars we drive more efficient. Stringent standards set by the Administration require that passenger cars and trucks in the U.S. must average 54.5 miles per gallon by 2025.

It's important to point out here that the U.S. government worked hard to get buy in from auto makers on these standards. Manufacturers representing 90 percent of the cars sold in the United States signed on. The mileage standards will save consumers and businesses an estimated $1.7 trillion in fuel costs. They will cut our oil consumption by 12 billion barrels and reduce greenhouse gas emissions by 6 billion metric tons.

Power and Energy

The other major culprit when it comes to emissions is power generation. Power plants are the single largest source of carbon pollution in the United States. Energy production from fossil fuels accounts for about 60% of greenhouse gas emissions.

We are working to establish uniform national limits on pollution from new power plants. We hope that these standards will encourage investment in new technologies to supplement current projects.

We are increasing our use of cleaner burning fuels, such as natural gas, and shifting away from coal.

One of the biggest game changers for the United States has been shale gas. It burns cleaner than coal and – as we increase the amount of power generated from gas – it has played a significant part in reducing our emissions.

We are pursuing a wide range of initiatives to reduce greenhouse gas emissions through policy changes and the largest investment in clean energy technology in U.S. history. These efforts have nearly doubled our renewable power generation since 2008.

We need, as Secretary Kerry said in Jakarta last month, to ensure that clean energy projects are the most attractive investments in the global energy sector. That is why one of President Obama's first acts in office was signing the American Recovery and Reinvestment Act. It contained an unprecedented $90 billion in clean energy investments. We can't transition to a lower carbon economy without the private sector and public-private partnerships.

In fact, some private companies are aggressively investing in renewables. Power is expensive and tech companies are huge consumers of energy. Google in particular has invested more than $1 billion in wind and solar projects. These will produce more than 2 gigawatts of electricity when complete.

Energy companies also recognize the need to move away from fossil fuels that won't last forever. Oil and gas companies, around the world are researching alternative fuels and new technologies. They are among the businesses leading the charge to develop cost effective wind and solar power.

Due to innovation and investment, technology that was once prohibitively expensive – solar panels and LEDs, for example – is much more affordable. As more people use these products,

we use less energy. This has, in turn, contributed to a 3.4 percent drop in emissions from 2011 to 2012.

We're taking full advantage of that fact at the Embassy in Canberra and at diplomatic posts around the world. In fact, President Obama has called on all federal government agencies to reduce greenhouse gas emissions.

On the Embassy compound we have replaced over 80% of our lights with LEDs. This is a 75% savings in the energy we use and a monetary savings of $60,000. I'm sure my government counterparts will recognize the importance of saving money in an era of shrinking budgets! We have put solar panels on all suitable U.S. government owned diplomatic housing. These panels produce more than 180,000 kilowatt hours of electricity a year.

Water is heated by solar systems, reducing our energy usage – and our costs – even more.

The Department of Defense has also made a major commitment to improving its energy efficiency, developing new technologies, and using more renewable energy sources. The Pentagon's goal is to have 25 percent of its energy come from renewable resources by 2025.

For example, through the Green Fleet Initiative, one half of the Navy's energy will be supplied by alternative fuels by 2020. Since the Navy uses about 1.3 billion gallons of fuel per year, that represents a significant savings.

We are working hard to make buildings, homes, businesses, and industry more energy efficient. We are investing in technology and developing new energy sources. These efforts are not only good for the environment and the consumer; they are good for the bottom line.

So, we are getting our house in order. As the President has said, it would be difficult for us to make the case to other countries when we are not making s serious and sustained effort ourselves.

International Cooperation

We are discovering that responding to our changing climate offers us new opportunities to work together. Building strong and enduring partnerships is crucial to achieving results. And we are doing just that here in the region and around the world.

We are developing agreements with major polluters, including India and China, the world's leading emitters of greenhouse gases. Last year, we launched the first-ever U.S.-China Climate Change Working Group under the umbrella of our bilateral Strategic and Economic Dialogue. Last June, we reached an agreement with China to curb HFCs.

And, as a result, last September all G20 countries agreed to take action on HFCs.

We are also challenging leaders from around the world to set aggressive goals, to develop higher standards, and to make responsible decisions to reduce greenhouse gas emissions. The issue is serious, it deserves everyone's attention. Everyone can – and must –get involved.

To make that happen, we are working with international organizations, including the Major Economies Forum, the Clean Energy Ministerial, and the Montreal Protocol.

Finally, we are part of negotiations through the UN Framework Convention on Climate to put together a new, ambitious international climate agreement that would take effect in 2020.

Bilaterally, we are working with more than fifty developing countries on projects ranging from clean energy projects to adaptation efforts that make countries more resilient to the effects of climate change.

These efforts are important because about 20 percent of the world's population lacks access to electricity. As nations rise, especially in this region, energy demands will grow exponentially. We must reduce energy poverty without significant – and harmful – increases in emissions. The United States is working with developing countries to attract investment for clean energy projects and improve energy efficiency.

Australia has been a key partner in international negotiations on climate change. And we know you will continue to work with us – both bilaterally and in multi-lateral organizations – on the tremendous challenges climate change presents in the region.

We believe that by working together and sharing best practices we can encourage the transition to a global clean energy economy.

Conclusions

In announcing his climate action plan, President Obama said that "The old rules may say we can't protect our environment and promote economic growth at the same time, but in America, we've always used new technologies -- we've used science; we've used research and development and discovery to make the old rules obsolete."

And he is absolutely right. We are innovative nations. We can do this.

Make no mistake: The transition to a low carbon economy won't be easy. It will require investments of time and money. But it will be worth it.

The economic benefits are enormous. By meeting energy productivity targets, the U.S. could save $327 billion a year by 2030. Individual households could cut costs by nearly $1000 a year, and we could add 1.3 million jobs to our economy. We expect to reduce CO2 emissions to 33 percent below 2005 levels.

In the end, decreasing emissions and improving efficiency standards will give us cleaner air and water, better health, improved technology, better jobs, and new sources of energy. That's not exactly a terrible outcome.

If we don't do everything we can to clean up our act, the worst-case scenario is very bad indeed.

Nature is resilient, it is strong, and –as we are seeing with the ozone layer – it can recover, but we need to do our part to help.

The United States and Australia can – and should – work side by side to clean up, to innovate, and to discover new energy sources. It's not only good environmental policy, it's also good business.

I look forward to working with all of you – whether you are from the government, the private sector, or an NGO – to find new and creative solutions that will help us reduce emissions and clean up our environment.

In the end, I'd argue that it is our duty to ensure that we have a better planet to pass along to our children. They are ultimately what it's all about.